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Survey of Industry—First Quarter, 1931

By Quincy Adams

Basic Trends in Week's Business

By Douglas Little

Departments

GENERAL BUSINESS CONDITIONS

MONEY

METALS

FOREIGN EXCHANGE

CREDITS

LEATHER

SECURITIES

COLLECTIONS

TEXTILES

GRAINS

WHOLESALE COMMODITY PRICES

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New York City

Your Successor

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to manage should
govern in the selec-
tion of a trustee.

CHEMICAL BANK & TRUST COMPANY

NEW YORK

1824

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Basic Trends in Week's Business

By Douglas Little

CONTINUED weakness in numerous commodities reflects a lack of forward momentum in general business activities. Sentiment had been buoyed by the moderate seasonal uplift of the first quarter and rising stock markets had accentuated the improved feeling, but subsequent movements have not wholly supported the earlier brighter outlook. Recurring depression in securities, even without aggressive selling pressure, naturally has been the reverse of cheering, and the maintenance of unusual ease in money rates has failed to provide a decisive stimulant. Further action on dividends, with scattered exceptions, has been adverse, disclosing the reduced earnings of many corporations resulting from the prolonged industrial setback. With each passing week, the fact is emphasized that the prevailing economic transition is deep-rooted and far-reaching, and the experiences of other similar periods do not in all ways afford a reliable basis for comparison. The existing situation presents some difficulties for which there is no exact parallel, and time necessarily is required for the overcoming of these obstacles. In view of the unsatisfactory aspects now current, various adjustments are essential, and it is in the rebuilding of the commercial structure that the main progress has been attained. Surface fluctuations in business, with alternating rise or fall of transactions in individual branches, are of less importance now than a strengthening of the foundation for eventual revival along wholesome lines. Hence it is that the week-to-week variations in volume of trade, while disappointing to those who had anticipated a definite upward trend, do not mean that nothing in the way of betterment is being accomplished.

Much already has been achieved, indeed, in correcting the conditions growing out of the worldwide unsettlement, although response to the constructive forces is impeded by the retarding influences which yet remain. A reassuring augury as the Spring advances is the more favorable weather for crop preparations, substantial moisture in many sections relieving anxiety as to the possibility of a repetition of last year's widespread and serious drought. The expansion of outdoor operations, with large highway and other projects begun or pending, also is an encouraging phase, and recent reports have indicated some reduction in unemployment of industrial workers.

Seldom has the commodity price situation occasioned such widespread interest as now prevails, and rarely have declines been so persistent. Some hope had been raised in March, by two successive weeks during which advances predominated, that steadier con-

DUN'S STATISTICAL RECORD		
Latest Week:	1931	1930
Bank Clearings.....	\$8,422,537,000	\$10,933,781,000
+Crude Oil Output (barrels)	2,308,250	2,561,150
Electric Power Output, K. W. H.	*1,638,691	*1,691,814
Freight Car Loadings....	728,511	908,656
Failures (number).....	563	491
Commodity Price Advances	15	11
Commodity Price Declines.	37	40
Latest Month:		
Merchandise Exports.....	\$237,000,000	\$369,549,000
Merchandise Imports.....	211,000,000	300,460,000
Building Permits.....	68,486,973	80,844,000
Pig Iron Output (tons)...	2,032,248	3,246,171
Steel Output (tons).....	3,023,440	4,299,905
Unfilled Steel Tonsage....	3,995,330	4,570,653
+Cotton Consumption (bales)...	490,586	507,646
Cotton Exports (bales)...	605,461	477,678
DUN's Price Index.....	\$152,525	\$179,294
Failures (number).....	2,604	2,847
†Daily average production. * (000) omitted.		
†Domestic consumption.		

ditions were developing, but subsequent movements have been decisively in the opposite direction. The record for the present week closely corresponds to that of last week, there being about twice as many recessions as increases in DUN's list of wholesale quotations, and numerous articles outside of the foodstuffs groups participated in the further downward reaction. Points of particular prominence were weakness in some steel products, most of the non-ferrous metals, rubber and certain textiles. The price for cotton, despite a more favorable report of domestic and foreign consumption in March, went still closer to the 10c. basis, and some goods manufactured from this staple also eased. The grain markets continued their erratic course, but were mostly firmer both for spots and futures. Generally

considered, the advantage remains with buyers, and pressure for lower prices also has been well defined in the retail trade.

In addition to the commodity price record, most of the other statistical indices which measure the rise or fall of business pointed downward this week. The rate of steel output, which always is closely watched as an indicator of industrial trends, continued its gradual decline of recent preceding weeks, being off 2 per cent., to 51 per cent. of capacity. The further decrease is in line with the seasonal tendency, but hope had been expressed that the increase of the first quarter would extend into April. Another measurement of manufacturing activity—electric power output—also receded in the latest-reported week, while this likewise was true of railroad freight car loadings. In each instance, however, the losses from the immediately preceding week's figures were moderate.

Notwithstanding further large operations in the money market this week, the decided ease of rates was unbroken. On occasions, the government withdrew considerable amounts from depository institutions, while payment was made for a new issue of certificates of indebtedness totaling \$275,000,000, and this necessitated preparations for releasing funds to the Treas-

sury. As an offset to these transactions, the Federal Reserve continued its policy of bill purchases, and rates for the various classes of accommodation varied only slightly from those of last week. Despite heavy bank withdrawals, the call loan quotation did not go above 2 per cent., and it was not until Thursday that even this moderate charge was established. Moreover, funds for the fixed periods remained at their former low levels, with nothing above 2½ per cent. named on time loans running up to six months.

Preliminary official data released from Washington on Thursday of this week made it possible to measure the trend of this nation's foreign trade during March. The report, in percentage of decline from the figures for a year ago, closely approximated the statement for February. This is especially true of exports, in which the February decrease was 35.2 per cent. and the March reduction 35.9 per cent. The exports were estimated at \$237,000,000, a gain of a little more than 5 per cent. over the total for the shorter month of February, and March imports of \$211,000,000 were 17 per cent. over those for the earlier month. The comparison with the imports for March, 1930, also was better, the contraction being around 30 per cent., against 38 per cent. in February.

GENERAL BUSINESS CONDITIONS

Eastern States

BOSTON.—Slight gains continue to be reported from many of the manufacturing industries, but while some have made a gain, others have failed to maintain their volume of sales. The general trend of business, however, continues upward. Sales of 101 retail stores in the Boston district showed a loss of 4 per cent. for the first quarter of this year, when compared with those of last year, but for the month of March they showed an increase of 5 per cent. over the total of March, 1930. Building and engineering contracts awarded in New England during the past week amounted to \$4,122,900, as compared with \$7,196,500 for the corresponding week of last year.

About \$9,000,000 worth of road construction is under way or about to be started by the State, and it is expected that nearly as much more will be authorized. Inquiries for spruce frame lumber for house building are increasing, and the building-trim concerns are coming into the market for more hardwood lumber. The call from the automobile trade is slackening. Prices are steady. Sales of pig iron during the week have been light, but some fair-sized inquiries have been received. An order for 700 tons of reinforced steel for the new subway has been placed; aside from this, local orders for steel have been very light. Better weather conditions have stimulated the paint trade and many lines of hardware are moving better.

Shoe factories continue to be fairly active and the demand for leather is keeping up better than was expected. Patent and calf suede leathers are selling better and there is a steady call for sole leather. Tanners are buying very lightly of hides and skins and usually only when price concessions are made. Current sales of the staple lines of finished cotton goods are light, but conditions with the mills are much better than has been the case for some time past; as orders, since the first of the year, have been in excess of production.

Lower prices are reported on the coarser and plainer types of cotton goods and orders are being held back on account of price uncertainty. Raw cotton is lower and the New England mills are purchasing very little raw material

at present. A few large orders for cotton yarn have aggregated a considerable amount, the principal activity being in the coarse and medium grades of weaving yarns. The finer counts are quiet. Automobiles are selling better, and the sale of automobile accessories is increasing.

PHILADELPHIA.—Some evidence of after-Easter lull in business, especially in retail lines, has been noted, although indications of further gains in commercial activity are not lacking. Department stores experienced a good Easter season. Although average sales were considerably below those of last year, the aggregate was larger. The wool market is not very active, but prices are firm, with scoured wool and noils in small supply. Manufacturers of clothing continue quite busy on goods ordered for Spring, while makers of women's waists have been doing a larger business in recent weeks. Producers of full-fashioned hosiery state that demand is spotty, with prices unusually low. It is felt that there will be no decided improvement before the late Fall. Reports indicate about a 10 per cent. increase in shoe business during March from that of a year ago, and present prospects are favorable.

Manufacturers of machinery report that they have booked more business during the last six weeks than usual, while inquiries in hand indicate a continuance of a steady demand. The plumbing supply trade has not been in a satisfactory condition, and collections are slow.

PITTSBURGH.—The business situation continues to show some satisfactory features, although the trend in some lines is toward betterment. Unusually warm weather for this season of the year has stimulated demand for Spring merchandise, and jobbers of women's and children's wearing apparel report considerable activity in demand, although purchases usually are in small amounts. There has been some improvement in demand for piece goods, notions and novelties, as well as for hosiery. Business is somewhat better with jobbers of men's clothing, although the volume of business still is considerably below normal. The jewelry trade is somewhat more active, but the improvement is principally in novelties and the cheaper grades of merchandise.

A slight improvement is noted in demand for building materials, although construction work still is well below normal.

Not much change is noted in the rate of operations in industrial plants, with steel production estimated at slightly over 50 per cent. of capacity. Window glass continues to move slowly, and is at the lowest level in recent years. While demand for plate glass is at a slightly higher rate, owing to demands of the automobile industry. Production of plate glass is estimated to be about 70 per cent. of capacity. Production of bituminous coal has shown a slight falling off, and is averaging between 15 and 20 per cent. lower than that of a year ago. Prices of western Pennsylvania grades of run-of-mine coal are quoted per net ton, at mines, as follows: Steam coal, \$1.50 to \$1.75; gas and coking coal, \$1.50 to \$1.75; and steam slack, 60c. to \$1. Crude oil production shows a rather sharp increase for the week, and gasoline stocks also have increased, to some extent.

BUFFALO.—The slight improvement in retail sales noted earlier in the month is being maintained, but volume still is about 3 per cent. less than that of a year ago. Fuels and building materials are showing substantial declines in their sales totals. Prices of food products have declined about 18 per cent., as compared with the quotations of a year ago. Instalment buying of automobiles and radios continue to absorb a large amount of money. Buying in most lines is somewhat more diversified than it was a year ago, but volume is less.

Southern States

ST. LOUIS.—The unevenness in general business conditions still exists, although there latterly has been a better feeling among the wholesale trade that an improvement may be expected; for, farm conditions are very favorable so far this year. Farmers are fast forgetting the bad crops of 1930, and quite an optimistic attitude prevails in the rural districts. This, however, is built on the hopes and expectations that there will be no more killing frosts this Spring. Building operations are going ahead fairly well, but still are below last year's figures. There has not been a great deal of home building started this Spring, as there are many unrented apartments and residences.

While dry goods houses, shoe manufacturers and furnishing goods houses are receiving a fair amount of new orders, men's clothing concerns have not been doing anything like the amount of business they did up to this same period last year. The unemployment situation still is acute, and heroic methods are being employed to relieve the situation. Retail trade locally has not shown much improvement during the current week.

New flour business, which last week was reported somewhat better, has again fallen off, but there has been no change made in prices. Flour production has increased slightly. For St. Louis and vicinity, mills reported 64,100 barrels for the week ending April 4, compared with 62,500 barrels the previous week, and 80,400 barrels during the corresponding week last year.

BALTIMORE.—Current developments evidence improvement in several lines of activity, but the slow pace of progress is rather disappointing. Since the passing of the Easter shopping season, there has been some let-down and the April volume thus far is under the level of the sales total for the first two weeks of the corresponding 1930 month. The present warm weather is exerting a favorable influence on the movement of seasonal merchandise, and the agricultural outlook now is more promising than it has been at any time during the past year. Not only have recent rains benefited the farmers, but changed acreages and diversified crop planting this Spring are expected to have beneficial results.

The fluctuating wholesale price index of commodities still is a disturbing factor, but declines recently have been mostly fractional. The money market continues easy, and the banks have a plethora of funds available for business, but the industrial and commercial demand for loans is not very active. Earnings statements for the first 1931 quarter, now being released, are not very satisfactory, and the opinion seems to obtain in well-informed quarters that there will not be any material and general trade upturn until the early Fall.

The demand for industrial alcohol and other commercial chemicals is holding up well, although competition in this

industry continues keen. Current sales of radio sets are not up to expectations, and the musical instrument business continues quiet. Wholesale distributors of paper and stationery supplies are transacting a fair business; houses specializing in sporting goods and athletic merchandise report Spring sales to be satisfactory. The wholesale grocery trade is only fair, and present prices are said to be about 18 per cent. under the March, 1930, quotations.

Chain-store earnings still are somewhat off, because of lower prices realized, rather than a decrease in the sales total. Business in agricultural implements and general farm supplies still is under the seasonal average, but the present outlook is distinctly more encouraging than it was in March. Electric supply houses report business to be only fair, but jobbers of manufactured tobacco products are transacting a satisfactory trade and prices are strengthening, particularly in the cigar and cigarette divisions.

MEMPHIS.—Aside from a little seasonal pick-up, merchandise lines continue to reflect restricted buying power. Utility values continue to be given emphasis, and there is small inclination to get away from conservative buying. Stocks in all lines are kept low, however, making for potential improvement once there is a turn for the better and spending ability becomes larger.

Farming activities are making progress under favorable weather conditions, and considerable impetus has been felt as a result of the Federal loans, bonus money and a slight easing-up by other sources. Indications are that this territory will not make a large reduction in cotton acreage, but will use little fertilizer. Larger areas to feed and food crops are counted on to help reduce outlays and cut cost of growing cotton, so as to meet prospective cheap prices. The disposal of the old crop is slow, and without price betterment thus far. Labor conditions are fairly satisfactory, although idleness has been reduced by activity in a few lines, including agriculture.

Western States

CHICAGO.—Retail trade continues to show definite improvement, with the demand good for popular merchandise. Sharply lower prices, however, have reduced the dollar total. A special sale by a large wholesale merchandising organization drew buyers from seventeen States and increased dry goods sales. Inquiries for new automobiles have shown a decided upturn, with the start of the first Spring exhibition of new models last Saturday. Building continues to maintain its recent improvement, with more good-sized store and apartment projects appearing among the permits. Industrial conditions conflict, with specialty and sporting goods factories increasing their output.

Business of a large packing house was reported on a somewhat more profitable basis. Livestock prices broke sharply on Monday, with cattle prices down 25c. to 50c., and hogs off 15c. to 25c., due to heavy receipts. Cattle steadied the next day, but hog prices were uneven, with the top for light hogs at \$7.80. Hides were active and firmer, with the wanted grades up sharply. April salting was light, native cows went at 9½c. on Tuesday, compared with a last week's price of 8½c. Eggs were firmer on the local mercantile exchange, but butter remained slow. The excellent weather resulted in a good gain in the movement of concrete aggregates for foundation and road purposes.

CINCINNATI.—No outstanding developments have occurred in trade channels during the past week. Business in general continues quiet, but movement of Spring merchandise and lightweight wearing apparel has picked up considerably and further liquidation during the coming week is anticipated. However, buyers have proceeded cautiously and, with few exceptions, there is only a limited accumulation of Winter stocks. In jobbing markets, complaints of backward business are heard in many quarters. Purchases are small and confined to merchandise for immediate use. The price trend of practically all classes of staple goods has been downward and at present will average approximately 20 per cent. less than was the case a year ago at this time.

The wholesale coal trade of the Cincinnati area faced a less favorable outlook in April, 1931. Industrial as well as retail contracts usually signed about this period have been

(Continued on page 10)

Survey of Industry—First Quarter, 1931

By Quincy Adams

THIS survey was prepared by the Economic Department of R. G. DUN & CO., assisted by the Investment Service Department of the National Credit Office. At the end of the first quarter of 1930 it was decided that a new light might be thrown upon the general business situation by the presentation of material obtained from the country's leading industries by means of questionnaires combined with data reported by industrial institutes, trade publications, and published sales and earnings figures. Each three-month period since that time has seen a gradual widening of the scope of the survey until at present it includes a sufficient number of factors to depict compactly the status and direction of industry during the quarter which is being reviewed.

Poor Comparison Afforded by First Quarter of 1930

In ensuing paragraphs a number of comparisons are made between the first quarter of 1931 and the corresponding quarter of 1930. The majority of these are unfavorable to the most recent period and the reasons for this should be pointed out. There was a revival of industrial activity in the first quarter of 1930, accompanied by steadily increasing prices for securities, which resulted from the widespread belief honestly held by many business men, bankers and economists, that all adjustments necessitated by the break in the stock market would be completed within a few months.

This general confidence was reflected in a definite upturn in business which lasted throughout the first three months of 1930. A fairly high rate of activity was reached which compared favorably with levels recorded in certain periods of past prosperity years.

The quarter just passed is, therefore, contrasted with a relatively good period, instead of one during which deflationary forces were actively at work, as was the case during the last nine months of 1930. It is important to bear this in mind constantly in order to prevent purely statistical comparisons from obscuring our vision and making our outlook unduly pessimistic.

Production and Sales Off Sharply

The first two indices in Chart I are those covering industrial production and industrial sales. The figures for sales were obtained by averaging the returns from twenty-five industries and assigning a weight to each in accordance with the position which it occupies as a contributor to the nation's volume of business. The amount of labor employed by the industry and the investment which it represented were both given consideration.

Both production and sales for the first quarter of 1931 were below the figures reported for the last quarter of 1930. This is in part a reflection of the fact

that the seasonal gain between December and March in 1930 was of greater proportion and longer duration than that which occurred in the first quarter of 1931. Consequently, although production and sales were actually greater in the first quarter of 1931 than in the last quarter of 1930, the comparison with the same period of the year previous was not as favorable. Sales figures refer to units rather than to dollar values.

Inventories Being Reduced

Industrial inventories at 84.9 per cent. of the figure for the first quarter of 1930 were reduced by considerably less de-

gree than either production or sales. This must be explained on the ground that inventories were in some degree liquidated during the final quarter of 1929 and in general were not disproportionately high during the first quarter of 1930. For this reason a decline of 15.1 per cent. in inventories from the first quarter of 1930 is comparable to the decline of almost 30 per cent. in production and sales and it may be considered that inventories are being liquidated and written down in proportion to the decrease in activity.

Money Continues Abundant

The relationships between the Federal Reserve Ratio and the Money Index for the first quarter of 1931 with the same quarter of the previous year were little changed from the last quarter of 1930. The

EXPLANATION OF CHARTS

CHART I.

The indices of industrial production, sales and inventories in this chart are composites of those industries, the sales of which are shown separately in Chart II. The other indices were also derived from primary sources. The Commodity Price Index is based on the current position of Dun's Index Number of Commodity Prices. Dun's figures on commercial failures were used in computing the Commercial Failure Index. The Money Index is an average of money rates, while both the Federal Reserve Ratio and the Freight Car Loadings Index are actual figures expressed in percentage. Bureau of Labor employment figures and questionnaire returns from employment agencies were combined in the Employment Index.

CHART II.

In the comparison of industrial sales the sales of the industries contributing to the sales index of Chart I are shown individually.

CHART III.

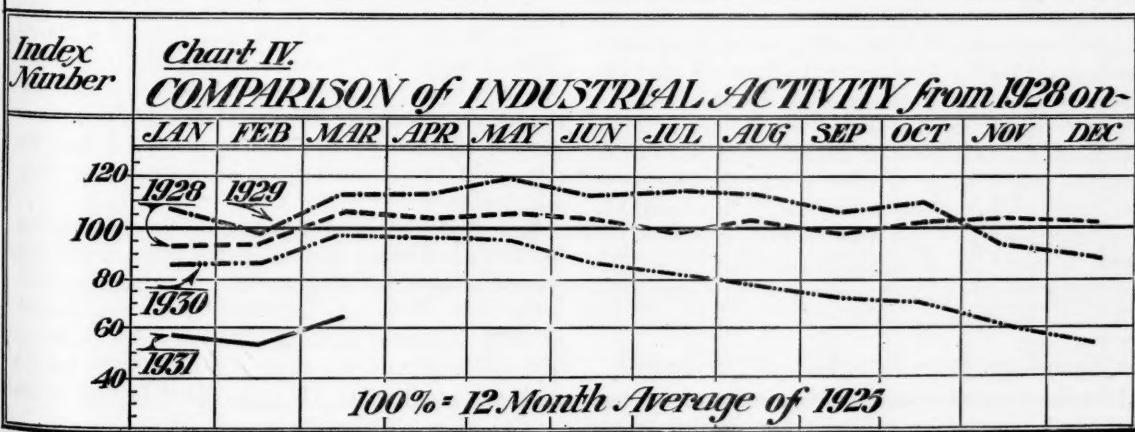
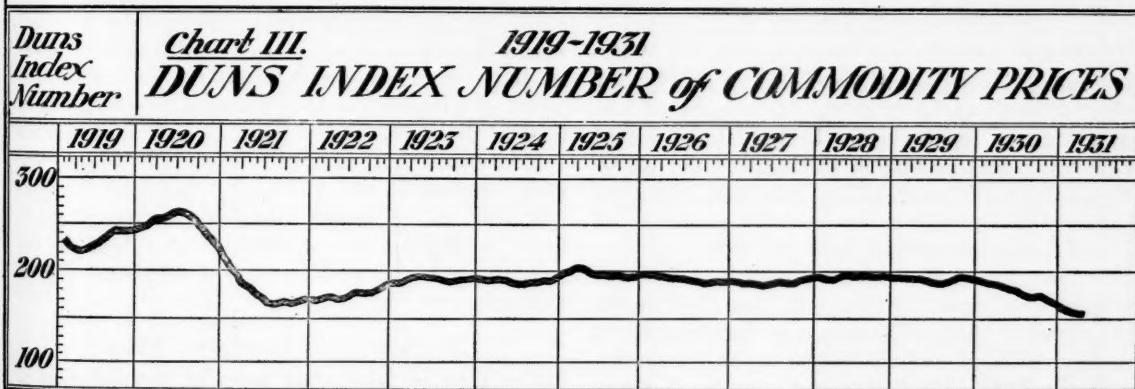
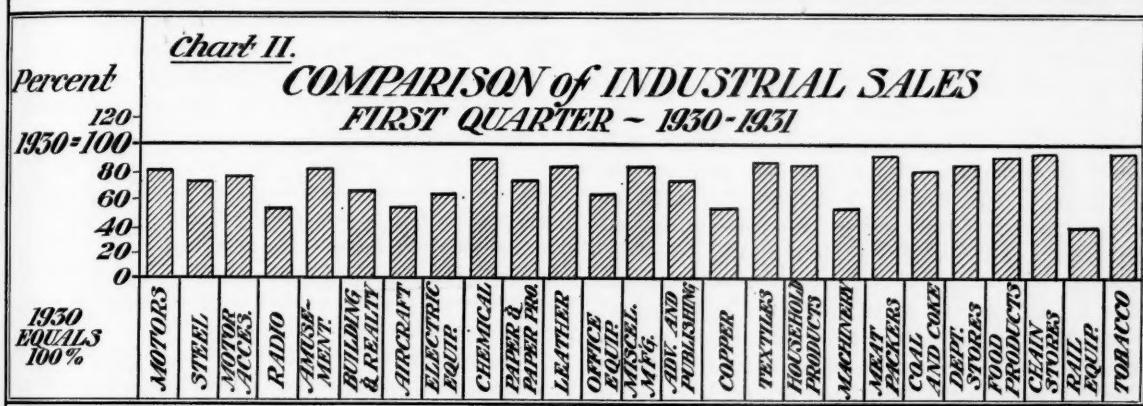
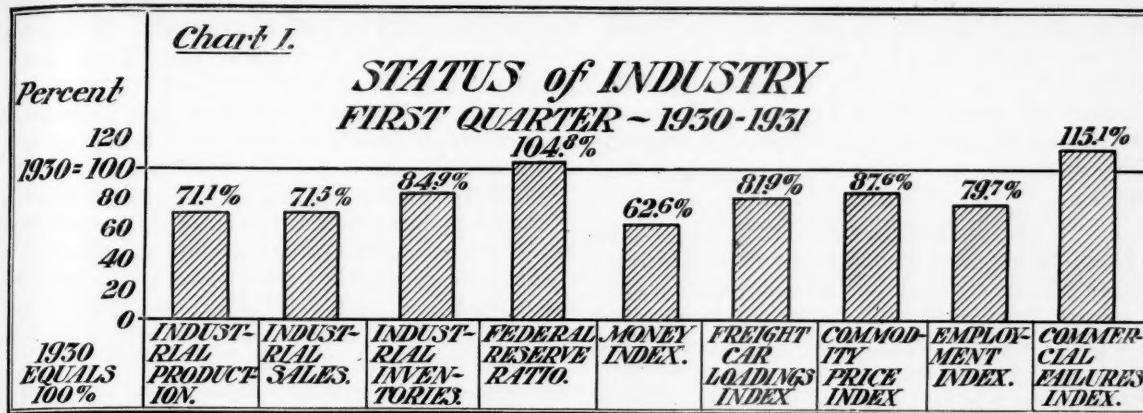
The fluctuations in Dun's Index Number of Commodity Prices are shown since 1919.

CHART IV.

The constituents of our Index of Industrial Activity are electric power output, bituminous coal production, bank clearings outside New York City, pig iron production and building contracts. It is not meant to serve as a barometer of all industrial activity as this is clearly too broad a function for any single index. The Index can be applied specifically only after due allowance for all factors involved and its significance must be regarded as general. The four-year comparison is intended to facilitate short term comparisons.

CHART V.

The Index of Industrial Activity is plotted for seven years to show the average seasonal changes and the degree of departure from an arbitrary normal. The moving average shows the trend for the period.



Federal Reserve Ratio continued at approximately 105 per cent. of the ratio for 1930 while the Money Index was slightly higher at 62.6 per cent. as compared with 51.8 per cent. for the last quarter of 1930. Although the money market was disturbed several times during the quarter by government borrowing, the resulting firmness of rates was of only temporary duration.

Employment Still Low

While, during the first quarter of 1931 there was distinct evidence of an increase in employment because of seasonal activity, there did not seem to be any sustained improvement. Many factories were reported to have reopened and some of those which never shut down are known to have increased their rate of activity. These tendencies, however, were in some degree offset by the number of workers liberated by commercial failures and by seasonal curtailment in industries which do not usually undergo expansion in the first quarter.

Our employment index for the last quarter of 1930 showed that employment was 79.0 per cent. of the same quarter in 1929, while the employment index for the first quarter of 1931 was at 79.7 per cent. for the first quarter of 1930. From this it appears that employment is still somewhat more than 20 per cent. below a year ago and when it is borne in mind that at this time in 1930 the employment situation had already become serious it is apparent that no gratifying degree of improvement has taken place.

Freight Car Loadings Lag

The Index of freight car loadings showed that the total tonnage loaded was 81.9 per cent. of that loaded during the first quarter of 1930. Many railroads are known to have reported for the period the lowest freight car tonnage, and in consequence the lowest earnings, for many years. It is significant, therefore, that this Index should show car loadings almost 20 per cent. below the reduced figure of 1930.

The most drastically curtailed traffic was in forest products which was 37.2 per cent. less than in the first quarter of 1930. The next most sharply reduced was ore, which was carried in volume 36.3 per cent. less than in 1930. The declines registered by the other classifications were respectively: miscellaneous L.C.L., 22.1 per cent., coke 21.4 per cent., coal 17.3 per cent., merchandise L.C.L., 16.6 per cent., livestock 11.9 per cent., and grain and grain products 4.4 per cent.

The relatively small decline in the volume of grain transported is of interest in showing that there is almost the same amount of grain being transported at this time as was the case a year ago. In view of the large carry-overs of grain crops both for 1929 and 1930, the fact that a comparable amount of grain is now being moved to market may properly cause concern as to the future stability of grain markets.

Commodity Prices Continued Downward

In order to present an adequate measure of the fluctuations in commodity prices it was decided to use

DUN's Index Number. This Index Number appears for the years 1919 to 1931 in Chart III. In Chart I, the figures for the first quarter of 1931 are compared with those for the first quarter of 1930 to show the relative standing of the two quarters in somewhat more condensed form than would result from a study of the larger chart.

The Index Number has long been recognized as one of the most sensitive and indicative of its kind. It is based upon about 300 wholesale quotations. The commodities are classified in seven different groups as follows: breadstuffs, meat, dairy and garden, other food, clothing, metal and miscellaneous. The total figure for the seven groups, an actual sum in dollars, represents the cost to a purchaser of an annual supply of goods in the wholesale markets on the specified date.

On January 1, 1931, the Index Number was \$159.72. On February 1, it was \$156.04, on March 1, it had declined further to \$153.55 and on April 1, it had reached \$152.52. It is an encouraging feature of these figures that the decline in the last four months is on a somewhat smaller scale than witnessed in the months immediately preceding and is well below the average monthly decline during 1930. In 1930 the average monthly decline was about \$2 while between March 1, and April 1, it was only \$1. This is not to be interpreted as evidence that the down trend of commodity prices has been checked but it is an indication of a slowing up in the rate of decline.

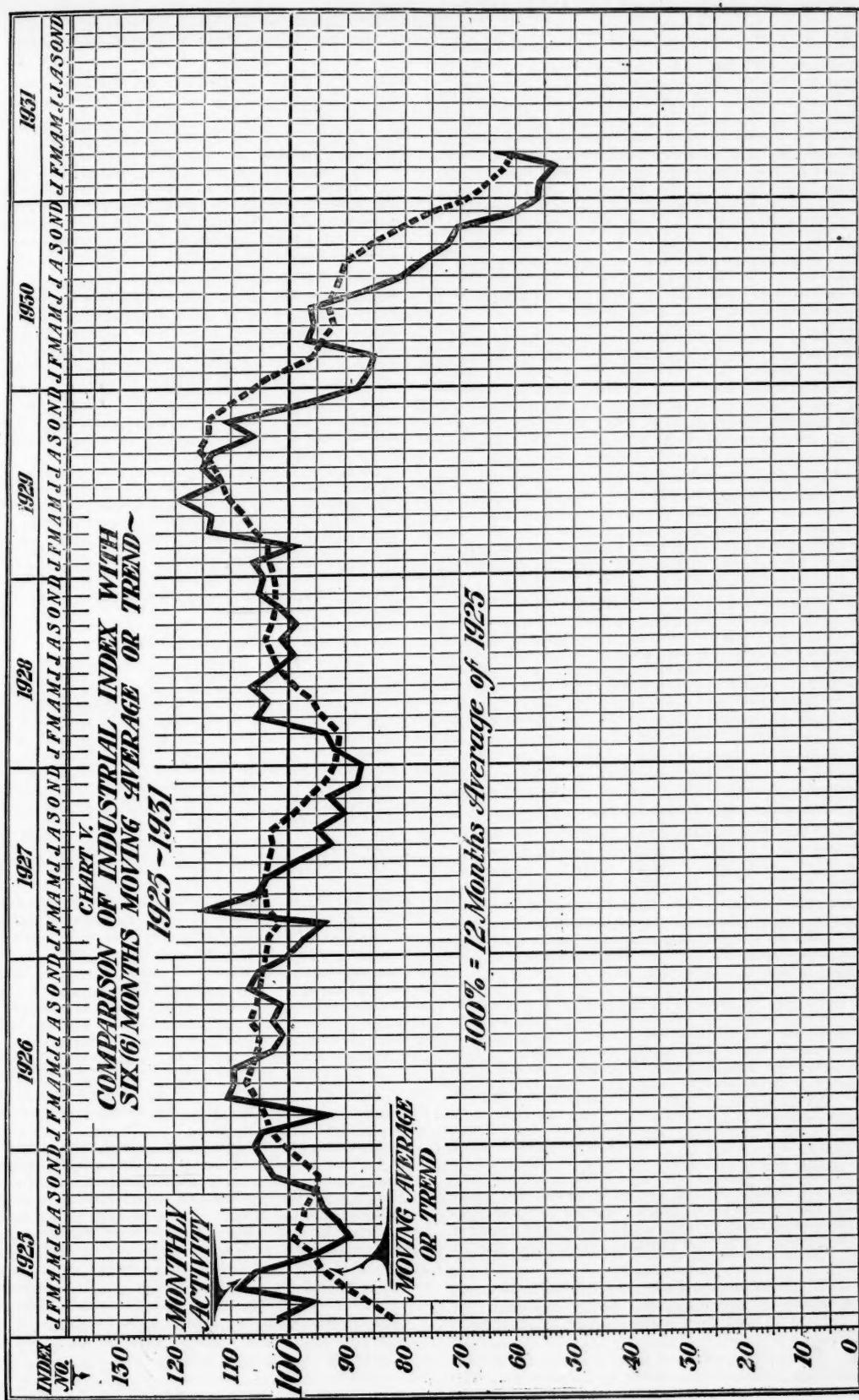
Economists generally are agreed that no depression may be expected to run its course nor can business activity be expected to expand aggressively in a period when commodity prices are continually seeking lower levels. There are a number of obvious reasons for this although it would serve no purpose to enlarge upon them at this time. Suffice it to say that until such an accurate barometer as DUN's Index Number of commodity prices has shown definitely that the downward movement of commodity prices has stopped there is little justification for a prediction of an end to the present era of sluggish business and a beginning of industrial revival.

Commercial Failures at Peak

The Commercial Failure Index of Chart I showed commercial failures for the quarter at 115.1 per cent. of the failures of the same quarter of 1930. The reports of the branch offices of R. G. DUN & Co. throughout the United States were the sole source of information in compiling this index. These reports are recognized as authoritative in this particular and the data which they contained was accordingly used without change.

The total number of failures for the first quarter of 1931 was 8,483 as compared with 7,368 for the first quarter of 1930 and 6,487 for the corresponding quarter of 1929. The total liabilities for the first quarter of 1931 amounted to \$214,602,374, which compares with liabilities to the amount of \$169,357,551 for the first quarter of 1930. The significant feature of the

(Continued on page 16)



GENERAL BUSINESS CONDITIONS

(Continued from page 5)

lagging, and inquiries relating to supplies are at a low ebb. Factors contributing to this condition are large stocks of coal at the lakes, which did not move because of an unusually mild Winter. Smokeless coal, top grade, is selling on a basis of \$2 to \$2.25 per ton in domestic sizes; however, screenings are in good demand, on a basis of \$1.25 for standard grades. High volatiles have a wide range in price, with block and lump selling from \$1.35 to \$1.75. Prices on prepared coal are about 15c. to 50c. below those of last year. In the retail department, there has been less cause for complaint. The mild Winter resulted in deliveries to householders in small lots, with prices generally remaining firm until April 1, when new quotations became effective. On that date, the cost of smokeless coal was reduced from \$8.50 a ton for lump and egg to \$7, and bituminous from \$6.25 to \$5.

CLEVELAND.—Retail business during the past week was quite active, most of the leading department stores having put on special Spring sales, in which there was a large volume of merchandise sold. The general situation, aside from this, shows some increase, largely in goods for the Spring and early Summer seasons. Otherwise, the general situation remains unaltered, and there still is considerable backwardness in the demand for the usual run of staple commodities. Some improvement is noted in the movement of lumber and other building materials, and most of the absorption is in connection with public works and outdoor repairs. Building continues to drag, and there is little indication of any immediate pick-up of a noteworthy character. Reports received from jobbers and wholesalers indicate practically the same condition prevailing in their line of business.

A few industries here and there have increased their working forces slightly during the last week or two; but, for the most part, the important factories are working short time and with diminished forces, compared with normal years. Demand for machinery and heavy tools is light, and sale of mechanics' tools is nearly at a standstill. In the textile trade, activity is confined to strictly seasonal lines, and the movement of raw materials is confined mainly to requirements for immediate consumption. The automobile business continues to make a steady gain, which also features the accessory lines and the tire business. The drug market is easing up, and the provision and grocery trades are about on the same basis prevailing during the past several weeks.

TOLEDO.—Weather conditions have been ideal for Spring shopping, and retail trade has improved somewhat, but requires low prices and sales stimulation. Building operations continue low, which, of course, affects the hardware trade. Demand for electrical goods has been moderate. Most industries are having a seasonable pick-up, and there has been a slight increase in general employment. Paper manufacturers still report production 25 per cent. under that of last year, and prices are discouragingly low.

DETROIT.—The business situation locally is characterized by no particular change during the past week. Buying in retail quarters has not reached normal Spring volume, although the department and larger stores report a fair turnover, though not what had been expected up to this time. Merchants in general, are not overstocked, having bought conservatively for the most part.

Seasonable weather conditions from now on doubtless will tend to stimulate greater interest on the part of the buying public. Buying power has been curtailed by unfavorable economic conditions, which show little sign of general improvement. Factory forces still are depleted and are working on short time shifts, all of which reflects unfavorably on local business conditions. Construction work still shows a recession from that of former months, and is less than a year ago.

TWIN CITIES (Minneapolis-St. Paul).—There is a noticeable decrease in unemployment, partly seasonal, but apparently based, in part, on a slight strengthening of business conditions not to be accounted for fully by the arrival of Spring. There has been some little resumption of residential building, presumably induced by lower costs. The carrying out of an unusually extensive road-building program in this State is expected soon to have a perceptible

further influence upon the employment situation. Retail sales have shown some increase in volume, though prices have continued to sag. Flour production and current sales are about on a par with those of the same period a year ago.

KANSAS CITY.—During the week the leading retailers reported a slight increase in the sales of staple items. Jobbing houses report that country trade continues about the same. The flour-milling industry finds demand a little stronger, and livestock receipts during the week were on a level with those of the week previous; prices remained steady. Sales of wallpaper and paint increased slightly during the week, indicating the usual Spring cleaning. Building continues to be restricted to a few of the larger structures that have been in construction for some time. New residence building continues at a minimum.

OMAHA.—Retail business was fair for the Easter period, the demand being mostly for women's wear, and leading retailers were quite busy in those departments. Men's wear showed no noticeable pick-up, and topcoat business has been disappointing this Spring. Jobbers of groceries and fruits have enjoyed what might be termed a satisfactory volume of business, though they have been working on a declining market, and operating profits have been light. Farm implement sales have decreased and, in view of the present outlook for new crop prices, it is doubtful whether sales can be stimulated.

Automobile dealers report some pick-up in sales, mostly due to funds received from bonus loans, while accessory jobbers report a decrease for the year to date. Livestock and grain receipts are holding up well. Bank deposits in Omaha, as shown by the call of March 27, increased better than \$1,000,000, compared with the total of March 27, 1930, and \$2,000,000, compared with the record of December 31, 1930. Banks report large cash reserves, with little demand; rates continue to drop.

Pacific States

SAN FRANCISCO.—Business for the week failed to respond to any expected upward trend but, on the contrary, more or less complaint is general. Some basic industries are showing up better, but in the majority of instances the advance in business activity has been slight and, at times are running below the volume of 1930. More attention is being given to bringing expenses to a point in better ratio to volume, such as obtaining reduced rent, and eliminating other overhead charges. State and county highway bridge projects comprise the bulk of the business being done in structural steel. Demand for steel plates is limited, and shape awards were the smallest since the first week of the year.

LOS ANGELES.—Local trade is featured by seasonal activity in apparel lines, and home furnishings, while the general trend of merchandising continues from fair to slow. Wholesalers report a fair demand for staple lines, but the volume remains below that of the past year, and is confined to current requirements. Industrial employment is showing some improvement over that of the previous month. Lines showing increases in employment include wearing apparel, motion pictures, clay products, printing and lithographing, and rubber products. Oil field employment shows little change, and seems to have been stabilized at around 30,000 men. The oil industry remains in an unsettled condition, due to the price war among gasoline marketers, and the low prices current for crude oil.

Construction activity is holding up well, with ample funds offered at low rates for building purposes. Building permits for March in Los Angeles totaled 2,609, with a valuation of \$4,272,107. Permits so far this month indicate a slight increase over those of March. While the Spring growing season started off favorably for agriculture, the situation has changed materially, with a decided lack of rainfall, far below normal, and under that of last season on this date. This condition is having an unfavorable effect on dry farming, and the planting of Spring crops, particularly cotton and beans.

SEATTLE.—Although retail sales have shown a good increase, as a result of widespread Spring buying, the volume still is below that of other years. There also has been an increase in the sales of electrical goods, and buying of motors and small transformers in March was better than previously, although below expectations. Automobile sales for the first

quarter of this year totaled 1,883, against 2,480 for the like period of 1930. For the week ended April 4, the sales were 587, against 476 for the week previous and 713 for the same week a year ago.

Contracts on public works let during the week ended April 4 totaled \$1,732,000, while the total for the last thirty days is \$8,287,000. Construction projects announced for the week were small, although one apartment unit of nearly \$1,000,000 is in prospect. Home building is showing a little more activity than for several weeks. Within the next thirty days, bids are to be called for a new Federal marine hospital.

PORTLAND.—Trade conditions show much unevenness; but, on the whole, there are signs of improvement as well as a more hopeful feeling. Some of the gains are due to the passing of the Winter season, which has stimulated trade in certain retail lines. Jobbing business is on a more settled basis, and country buyers show more confidence, as there is less uncertainty over the probable prices of agricultural products than there was last year, although prices are low. With business dealings being adjusted to these new values, a steadier wholesale movement is anticipated.

Steps have been taken to stabilize the foreign marketing of lumber and timber products by the formation of a combination of 90 per cent. of the cargo mills of the Pacific Northwest. The mills agree to adhere to a fixed price policy as permitted by the foreign trading laws. Co-operation in the movement on the part of British Columbia mills is expected. Production for the week showed little change from that of previous weeks, while sales were 18 per cent. in excess of the output. Domestic orders decreased, but there was a large increase in export business. Reports from 222 leading Douglas fir mills indicated a cut of 106,141,733 feet, with orders for 125,335,188 feet, and shipments of 106,538,809 feet. Sales for rail delivery were 38,393,195 feet, domestic cargo orders 41,802,445 feet, and export orders 34,954,121 feet. The local trade bought 10,185,427 feet. Unfilled orders total 465,972,249 feet, an increase of 17,423,482 feet for the week.

Wheat trading still is limited to futures sales to the government agency which, in turn, is supplying flour millers with their requirements at lower prices. Total wheat shipments in the past month were 409,281 bushels, against 455,511 bushels in March, last year, and flour shipments were 199,376 barrels, against 188,476 barrels a year ago. Crop conditions are very good, Winter wheat in Oregon being estimated at 19,000,000 bushels, and in the Pacific Northwest at 70,000,000 bushels, as compared with 52,298,000 bushels last year.

The last large apple export shipment from Portland has been made, making the total for the season in excess of 2,200,000 boxes. Rail shipments from Oregon for the season have been 5,440 cars. Prices continue to advance, with red apples especially strong. Present indications are for a lighter apple crop in Oregon than last year. Potato movement continues heavy, and only a moderate surplus is now being carried. Growers in the Northwest report an intention to increase their plantings by about 20,000 acres. Shipments of fresh fruits and vegetables from the Northwest during the week were 2,284 cars.

Trade Situation at Montreal

MONTREAL.—No special incident has featured the trade situation during the past week. Retail sales of men's and women's wear have been of but moderate volume, with the exception of hosiery, millinery and footwear, for which there has been a fairly steady demand. Most activity is found in heavily advertised lines, with distribution held principally to the more moderately-priced merchandise. Wholesale dry goods dealers report little change in trade conditions; travelers find out-of-town merchants with limited stocks on hand, but the policy of conservative buying still is the rule.

Groceries are moving in close to normal quantities, canned goods being particularly in good demand. New low price levels have been reached in dairy products and, with liberal receipts of butter and cheese in the local market, there is little prospect of higher quotations in the near future. Apart from one or two outstanding projects, construction work is in comparatively small volume, and in the industrial section, there is little increased activity to note.

UNEVENNESS IN STEEL BUSINESS

Irregularity Continues in Many Departments —Some Prices Unsteady

MORE or less irregularity still persists in steel-finishing operations, particularly with the smaller units, working schedules being dependent upon current specifications, which, in most directions, are of a hand-to-mouth character. Ingot capacity has failed to register desirable gains, and on the average is not much in excess of 50 per cent. of rated capacity. Steel deliveries to automobile interests have not come up to expectations and curtailed activity along other lines retards demands for miscellaneous steel descriptions. Seasonal requirements, however, are coming forward, and new tonnages will, no doubt, take up the slack to some degree, though any material gain in gross steel output is now discounted for the immediate future. Tin plate remains the most active department, running close to 80 per cent. of capacity. Line pipe, structural shapes and other heavier descriptions are fairly active, and as construction work seasonally expands, these lines may expand moderately.

The price situation shows cross currents; pig iron values being maintained. Scrap dealers, however, report the market dull. Heavy melting steel is held with difficulty at \$12.50, Pittsburgh, and in an occasional transaction this figure possibly is shaded. Foundry iron has been restored to the 50c. per ton differential over basic, and regular Pittsburgh prices are adhered to. Semifinished steel is quiet, with \$30, Pittsburgh, the nominal quotation on sheet bars and billets. Coke is listless, the furnace grade quoted \$2.50 at oven for spot and contract. The sheet mill output in the aggregate is less than a few weeks back, and specifications for strip steel and cold-finished bars lack uniformity and sustained shipments. Attractive sheet orders have developed concessions, galvanized sheets being quoted at \$2.80 and \$2.85, Pittsburgh. Black sheets are quoted at \$2.25, Pittsburgh; while blue annealed sheets have a spread of \$1.85 to \$2.05, Pittsburgh; automobile body stock is quoted around \$3.20, Pittsburgh, while \$1.70, Pittsburgh, is the regular second-quarter price on bars, shapes and plates. The volume on this basis is not yet great and \$1.65, Pittsburgh, applies on most contracts recently closed. Wire products are improving slightly in demand from jobbers and prices are fairly steady.

Chicago Steel Output Maintained

THE rate of steel ingot output in Chicago held at around 55 per cent., despite a rather indifferent volume of new business. Orders of last week were about up to the average for the year, but considerably below those of the preceding seven days. Specifications were steady at about the average rate for the year. New structural steel awards involved 6,500 tons for bridge projects, while new inquiry totaled 2,150 tons.

A slight pick-up in railroad equipment activity appeared, with inquiry for 300 tanks and cars, and an order for 100 flatcars reported. A \$3,285,000 railroad track elevation project here is expected to take a fair tonnage of steel, but the work will be spread over two and one-half years. Rail mill operations are off 5 to 50 per cent., with new orders of the last week totaling 2,500 tons. Tank steel orders involved 6,000 tons. Reports of weakness in sheet steel prices were denied. Buying of sheets by farm implement and roofing companies has been light, but a fair demand is reported from jobbers and furnace companies. Steel scrap under-tone was weak, with prices only nominal. Ruling prices were: Pig iron, \$17.50; rail steel bars, \$1.60 and \$1.65; soft steel bars, \$1.70 and \$1.80; shapes and plates, \$1.70 and \$1.80.

March production of cotton goods showed a gain of 2.4 per cent. over that of February, shipments were 16.8 per cent. above production, sales were 8.7 per cent. in excess of output, and stocks on hand showed a decrease in March of 45,547,000 yards, or 14.3 per cent. Stocks were the lowest at any time since January, 1928. Unfilled orders decreased 5.5 per cent., but were substantially in excess of stocks.

UNINTERRUPTED EASE IN MONEY

Low Rates for All Classes of Accommodation
—Spanish Exchange Breaks

THE New York money market was tranquil this week, with the call loan rate at 1½ per cent. for most transactions on the New York Stock Exchange. A slight advance to 2 per cent. occurred on Thursday. Funds were taken out of the market in rather large quantities, as Treasury withdrawals from depository institutions were again heavy. Such withdrawals aggregated \$142,000,000 this week, making the total withdrawals from institutions throughout the country approximately \$527,000,000 in the past month. Moreover, payment was made this week for a new issue of \$275,000,000 of eight months' certificates of indebtedness, with 1½ per cent. coupons, offered late last week. The Federal Reserve, however, continued its policy of bill purchases, so as to keep the money market in an easy condition. This expedient was sufficiently successful to occasion offerings of call loans in the unofficial street market on Monday and Tuesday at 1¼ per cent., a concession of ¼ per cent. from the official rate. The overflow of funds was not heavy, however, and trading was largely at the official level. Bank withdrawals from the call market aggregated about \$25,000,000 on Monday, and they were again heavy on Wednesday, when about \$50,000,000 was taken out. Time loans were easy throughout, with 60 to 90-day loans at 2 to 2½ per cent., while four to six months' loans ranged from 2 to 2½ per cent. Commercial paper was quoted at 2½ to 3 per cent. for best names and 2½ to 3 per cent. for others.

Daily closing quotations of foreign exchange (bankers' bills) in the New York market follow:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Sterling, checks...	4.85½	4.85%	4.85½	4.85½	4.85½	4.85%
Sterling, cables...	4.85½	4.85%	4.85½	4.85½	4.85½	4.85½
Deutsch., checks...	3.01½	3.01%	3.01½	3.01½	3.01%	3.01%
Paris, cables...	3.01½	3.01%	3.01½	3.01½	3.01%	3.01%
Berlin, checks...	23.79	23.79	23.78	23.79	23.81	23.80%
Berlin, cables...	23.81	23.81	23.80%	23.81%	23.81%	23.81%
Antwerp, checks...	13.88%	13.88%	13.89%	13.89	13.89%	13.89½
Antwerp, cables...	13.90%	13.90%	13.90%	13.90%	13.90%	13.90%
Lire, checks...	5.23½	5.23½	5.23½	5.23½	5.23½	5.23½
Lire, cables...	5.23%	5.23%	5.23%	5.23%	5.23%	5.23%
Swiss, checks...	19.25%	19.26	19.26	19.25%	19.26	19.25%
Swiss, cables...	19.26%	19.26	19.26	19.26%	19.26	19.26%
Guilders, checks...	40.10%	40.13%	40.12%	40.11%	40.13%	40.12%
Guilders, cables...	40.11%	40.15	40.14	40.13	40.14%	40.14%
Pesetas, checks...	11.06½	10.36½	9.94½	10.49½	10.12	9.99
Pesetas, cables...	11.07	10.37	9.95	10.50	10.13	10.00
Denmark, checks...	26.74½	26.74½	26.74	26.74½	26.74	26.73½
Denmark, cables...	26.74%	26.74%	26.74%	26.75	26.75	26.74%
Norway, checks...	26.76%	26.76	26.76	26.77	26.76	26.77
Sweden, cables...	26.77	26.77	26.78	26.77½	26.77½	26.78
Norway, checks...	26.75½	26.75½	26.74½	26.74½	26.74	26.73
Norway, cables...	26.75	26.75%	26.75	26.75	26.75	26.74
Greece, checks...	1.29½	1.29½	1.29½	1.29½	1.29	1.29½
Greece, cables...	1.29½	1.29½	1.29½	1.29½	1.29	1.29½
Portugal, checks...	4.50	4.50	4.50	4.50	4.50	4.50
Portugal, cables...	4.51	4.51	4.51	4.51	4.51	4.51
Australia, checks...	3.63%	3.70%	3.70%	3.70%	3.70%	3.70%
Australia, cables...	3.70%	3.70%	3.70%	3.71%	3.71%	3.70%
Montreal, demand...	99.95	99.95	99.95	99.96	99.96	99.96
Argentina, demand...	34.80	34.75	34.75	34.70	33.95	33.45
Brazil, demand...	7.35	7.30	7.35	7.25	7.25	7.20
Chili, demand....	12.10	12.10	12.13	12.10	12.05	12.07
Uruguay, demand...	69.00	68.00	66.00	66.25	65.75	66.25

Spanish pesetas occupied the position of prominence in the foreign exchange market this week, owing to the establishment of a republic in Spain, following the municipal elections of last Sunday. Although conditions in Spain have long been unsettled, pesetas dropped 79 points on Monday, to .1028c, but closed at .1035c. This break interrupted a fairly steady upturn in the Madrid rate which began when an international credit of \$60,000,000 was placed at the disposal of the Bank of Spain for preliminary stabilization purposes on March 26. Later, pesetas began to recover, and much of the early loss was recovered. This development was considered merely a natural reaction from an overdone decline. The European list of currencies otherwise, was irregular, with rates showing no great variation. Sterling, French and Swiss francs, marks, guilders, lire and the Scandinavians moved upward and downward in a narrow range. Canadian dollars were off to a discount of 3/64ths at one time, but extensive municipal financing occasioned important transfers of funds to Montreal, and the tendency was upward late in the week. Among the South Americans, Argentine and Uruguayan pesos were unsettled by political developments. Others remained close to previous levels. Far Eastern rates were virtually unchanged, the silver market being quiet.

Bank Clearings Again Lower

LITTLE improvement appears in the report of bank clearings this week. The total for leading cities in the United States of \$8,422,537,000 is 23.0 per cent. below that of last year. At New York City, clearings of \$5,883,112,000 show a loss of 23.1 per cent., while the aggregate at centers outside of New York of \$2,539,425,000 is 22.8 per cent. smaller. The decline is quite uniform. At New York City, the contraction continues very large, though considerably less than in recent preceding weeks. Boston reports only a small reduction this week, as it did a week ago, and at some of the Southern centers there are slightly smaller losses, but most other cities in the East, the West, the South, and on the Pacific Coast show large declines.

Bank clearings for the week, and average daily bank clearings for the last four months, are compared herewith:

	Week Apr. 16, 1931	Week Apr. 17, 1930	Per Cent.	Week Apr. 18, 1929
Boston	\$450,000,000	\$485,000,000	-7.2	\$488,000,000
Philadelphia	396,000,000	531,000,000	-25.4	608,000,000
Baltimore	74,656,000	97,798,000	-23.7	104,102,000
Pittsburgh	135,500,000	184,257,000	-26.8	198,441,000
Buffalo	48,881,000	59,799,000	-18.3	64,513,000
Chicago	437,762,000	608,490,000	-27.9	659,208,000
Detroit	129,665,000	193,983,000	-33.2	234,178,000
Cleveland	117,252,000	148,252,000	-20.9	168,310,000
Cincinnati	38,453,000	51,243,000	-25.7	62,314,000
St. Louis	41,000,000	53,000,000	-24.4	55,200,000
Kansas City	87,200,000	123,600,000	-34.7	144,700,000
Omaha	35,878,000	44,337,000	-19.1	48,071,000
Minneapolis	66,569,000	84,168,000	-20.9	85,915,000
Richmond	34,159,000	45,081,000	-24.2	44,602,000
Atlanta	38,842,000	47,601,000	-18.4	65,360,000
Louisville	25,532,000	40,866,000	-37.7	39,532,000
New Orleans	40,166,000	47,023,000	-15.4	50,770,000
Dallas	38,752,000	42,094,000	-8.0	57,806,000
San Francisco	156,800,000	200,800,000	-21.9	204,900,000
Portland	28,728,000	37,499,000	-23.4	39,101,000
Seattle	37,919,000	50,609,000	-44.8	55,860,000
Total	\$2,539,425,000	\$3,288,781,000	-22.8	\$3,652,643,000
New York	5,883,112,000	7,645,000,000	-23.1	8,118,000,000
Total All.	\$8,422,537,000	\$10,933,751,000	-23.0	\$11,770,643,000
Average daily:				
April to date...	\$1,529,120,000	\$1,942,669,000	-21.3	\$2,027,196,000
March	1,409,12,000	1,832,284,000	-23.1	2,229,360,000
February	1,389,211,000	1,746,887,000	-20.5	2,272,246,000
January	1,414,552,000	1,796,959,000	-21.3	2,327,594,000

Record of Week's Failures

INSOLVENCIES are again slightly more numerous, this week's report showing 563 in the United States. That number compares with 545 last week, a gain of 18, and is also slightly above the 549 defaults of the first week of April. For this week a year ago, commercial failures in the United States numbered 491. There is a reduction this week in the New England States, compared with last week, but the other geographical sections show an increase, which is largest in the West. At 323, failures with liabilities of more than \$5,000 in each case, continue relatively high, contrasting with 303 a year ago.

Numbering 42, Canadian defaults this week compare with 30 last week and 57 a year ago.

	Week Apr. 16, 1931	Week Apr. 9, 1931	Week Apr. 2, 1931	Week Apr. 17, 1930
SECTION	Over \$5,000 Total	Over \$5,000 Total	Over \$5,000 Total	Over \$5,000 Total
East	131	193	150	201
South	62	132	78	131
West	92	150	82	140
Pacific	38	79	33	23
U. S.	323	563	343	549
Canada	20	42	16	30

Car Loadings Relatively Low

LOADINGS of revenue freight for the week ended April 4 totaled 728,511 cars, the American Railway Association announced, a reduction of 11,568 cars from the total for the preceding week, due to the observance of Good Friday, and a decrease of 179,548 cars from the figures for the same week last year. Decreases were reported in all commodities except merchandise in less than car lots, coke and livestock. The car loadings in detail were:

	Week Ended April 4, 1931	Ch. Fr. Prev. Wk.	Ch. From Same Wk.
Miscellaneous freight	284,082	-2,010	-94,270
Merchandise less than car lots	225,403	+2,935	-15,453
Coal	118,421	-7,811	-13,697
Forest products	31,092	-3,705	-25,869
Ore	5,569	-614	-4,936
Coke	7,678	+682	-2,817
Grain and grain products	36,674	-228	-3,696
Livestock	10,582	+148	-2,900

Dun's Weekly Survey of Money and Credit Conditions in the United States

MONEY MARKETS

In Eastern Districts

Boston.—The reserve ratio of the Federal Reserve Bank of Boston increased this week from 82 to 84.4 per cent. Reserves gained about \$11,000,000 and deposits about \$4,000,000. Money continues easy, with the call rate 2½ per cent., and the time rate 3¾ to 4 per cent. Commercial paper ranges from 2½ to 3 per cent.

Philadelphia.—Funds are in plentiful supply, and no appreciable increase in demand from commercial borrowers is reported. Bank clearings continue considerably below those of a year ago.

In South and Southwest

St. Louis.—There has been practically no increase in the demand for money in this district, but bank deposits continue to gain and rates are attractive. Commercial paper is quoted at 2% to 3¾ per cent., while collateral loans range from 4 to 5 per cent. Cattle loans stay fairly close to 6 per cent.

Kansas City.—Banks continue to report deposits steady, with no change noted in the demand for money, which still is moderate, as compared to that for the same period a year ago. Rates continue to range from 5 to 6 per cent.

Dallas.—Bank clearings for the week were \$34,700,000, compared with \$33,600,000 for the preceding week and \$40,600,000 for the corresponding week of 1930. Money continues plentiful at low rates of interest, but demand for commercial loans has not improved materially.

In Western Sections

Chicago.—Although money continues steady on the local market, there is little demand for funds. Rates show little change, commercial paper going at 2½ to 2¾ per cent., and counter loans at 4 to 5½ per cent. Brokers' loans on collateral range from 4 to 5 per cent., while customers' collateral loans vary from 5 to 6 per cent., with shading.

Cincinnati.—In financial quarters, demand for funds from commercial sources has been more active during the week, but rates remain unchanged, on a basis of 5½ to 6 per cent. Call loans to brokers have been dull, with rates ranging from 4 to 5 per cent., depending on the character of the account.

Cleveland.—Money continues easy and, despite the tendency toward lower rates of interest, there has been little increase in the demand for industrial loans. A remarkably steady condition has prevailed in the banking industry in this district, the weekly Federal Reserve report indicating very little change in any of the items.

Twin Cities (Minneapolis-St. Paul).—Money continues in ample supply, but demand still is weak. There has been no recent change in the rates for loans, which still range from 3 to 6 per cent. Commercial paper is quoted at 2½ to 3 per cent. The last weekly statement of the Federal Reserve Bank of Minneapolis showed an increase in deposits of \$1,462,167, and a decrease in total reserves of \$1,071,153.

COLLECTION CONDITIONS

In Eastern Sections

Boston.—There has been a decided improvement in collections in this district during the last three weeks, except in the dry goods trade where they continue slow.

Providence.—Collections in this district are keeping up fairly well and, in some instances, are a little above the average noted during the past few weeks.

Hartford.—In nearly all branches of trade, collections in this district continue slow, the best reports being received from houses selling on the instalment plan.

Newark.—Although collections have improved slightly, the gain has not been sufficiently large to bring the general average much above fair.

Philadelphia.—While tardiness continues to predominate the local collection situation, returns are a little more prompt than they were a few weeks ago.

Pittsburgh.—Local collections continue to average slow with jobbers, but many of the retail dealers state that they have noted a slight improvement during the week.

Buffalo.—As collections in most trades continue to drag, they cannot be classed as better than fair to slow, when taken as a whole.

In South and Southwest

St. Louis.—There has been a slight change for the better in the collection situation in this district, but reports generally show that payments are not much better than slow.

Kansas City.—While local collections still are slow, the trend has improved remarkably, as compared to what it was a few weeks ago.

Baltimore.—The present collection situation is about on a par with last week's status, the betterment noted a week ago being maintained in most trades.

Dallas.—The collection situation here remains practically unchanged, although a slight improvement has been noted in a few lines.

Jacksonville.—There continues to be considerable tardiness in the collection situation as a whole, but retailers' reports are somewhat better.

New Orleans.—With the majority of retailers, collections apparently are good, but with wholesalers they continue slow, in most cases.

In Western Districts

Chicago.—Collections apparently have held the gain made last week, houses in most lines reporting them as fairly good.

Cincinnati.—A slight seasonable improvement is noted in collections among wholesale houses, but instalment payments continue slow.

Cleveland.—There is a good deal of unfavorable comment being made regarding the liquidation of mercantile accounts, and in the instalment retail trade payments are said to be very slow.

Toledo.—There has been but little improvement in the local collection situation, other than a more cheerful trend noted in some branches of the retail trade.

Detroit.—As a whole, collections continue slow and unsatisfactory, although the trend is somewhat better than it has been, particularly in some branches of the retail trade.

Omaha.—In this district collections are reported as generally slow, although there has been an improvement in the retail trade, many long-standing accounts having been cleaned up with the bonus loans.

Twin Cities (Minneapolis-St. Paul).—Despite the upward trend which is noted in some lines, particularly clothing, paints and farm implements, collections in this district still range from fair to slow.

Denver.—There has been no general improvement in collections in this district, although some lines are better than they were a week ago. As a whole, they are fair to slow.

Los Angeles.—The majority of the reports received during the current week show that collections generally in this district still are slow.

Seattle.—In the local retail trade there is little in the way of improvement to be reported in the collection situation, but with wholesalers payments continue fair, and with instalment houses better than they were a week ago,

Montreal.—In a few trades, collections have improved somewhat, but the general average for this Province cannot be classed as better than fair.

QUIETER MARKETS FOR TEXTILES

Primary Demand Shower, but Shipments on Past Orders Large—Prices Easier

MOST divisions of the primary dry goods markets continue quieter than they were early in March. Production is well maintained, but with some evidences of slackening here and there. Competition for business is holding prices within very narrow profit limits and in some instances forcing them downward, despite favorable stock conditions. The after-Easter quiet at first hands is rather more pronounced than some merchants were anticipating, but it is believed that a very considerable amount of filling-in orders will come forward as consumer buying discloses the effects of trying to hold inventories very low.

Lack of full employment in industries and building, the aftermath of a difficult year in agriculture, unchanging prospects for a revival of foreign trade, and the continuing need for many readjustments in business still adversely affect consumer buying power, without the compensating clearing away of mixed influences of a more obscure character. In some divisions of the textile markets, unsatisfactory credit conditions continue to exercise a restraining influence on sales.

Helpful elements are found in the fact that declines in raw materials or finished goods, where occurring, are within narrower limits, and with more evidence of stability than existed in recent months. More than in any previous period of quiet trading, first-hand inventories are being held down and are relatively light.

Easing in Cotton Goods Prices

Print cloths and sheetings eased $\frac{1}{4}$ c. to $\frac{1}{2}$ c. a yard without resulting in sales of importance. In fine cotton goods in the gray, prices hold steadier, with a fair spot demand for lawns, voiles and other staples. In heavy cottons, such as duck and tire fabrics, new business continues slow. Sheets and pillowcases are selling at longer discounts in moderate lots. Colored goods are steadier, but with trading quiet. Printed goods of all kinds are leading in sales, with prices fairly steady on wanted styles. Mills making fancy flannels have fair orders in hand to carry into June, but staples in white and colored are dull, and mills are not well occupied.

Some spot business is available on flannels for men's and women's dress wear, on gray and tan suiting for men's wear, and on small lots of tropical-weight Summer lines. Women's coatings have been cleaned up well for the Spring season, and openings of Fall lines have started. Clothing manufacturers have begun to send men on the road in search of Fall business, with the most attractive merchandise and prices they have had to show to retailers in their recent history.

Knit goods of a staple character, such as hosiery and seasonal underwear, are quiet. Rayon knit materials are in better demand.

Raw silk has been irregular and rather weak, with buying less active. Silk goods continue to sell in fair volume, but at most unsatisfactory prices.

Progress in Knit Goods

Perhaps no division of textiles has undergone such vital changes as the knit goods industry in the matter of fiber consumption, the types and styles of products, and the variety of new equipment made available in a five to ten-year period. This fact was strikingly illustrated at a Knitting Arts Exhibition in Philadelphia this week, where fully 2,000 men and women engaged in the industry were present on the first day.

Rayon in all its varieties, from viscose to the acetate cellulose types now so popular, was especially prominent, for the reason that knit goods mills are normally the largest and most varied outlet for rayon yarn producers. Knit underwear and hosiery mills use the largest volume of rayon, but substantial quantities go into sweaters and other outer garments.

The industry uses silk, rayon, cotton in mercerized and unmercerized types, spun silk, and woolen and worsted yarns. Machinery improvements have been more rapid in recent years, and all in the direction of perfecting processes for volume handling of all types of work.

MARKET FOR HIDES STEADIER

Some Trading at Fractional Advances—Speculative Tendency is Seen

THE domestic packer hide market has developed a firmer tone. There was quite some trading early in the week, and surprise was expressed by some tanners that the stock of steer hides available seemed to be under what they expected to find at the prices prevailing. Trading comprised March and early April steer hides at 9c. for natives, butt branded and heavy Texas, and $8\frac{1}{2}$ c. for Colorados and light Texas. These prices show steadiness, buyers having anticipated lower quotations on the March kill. There are still March hides to be sold, but packers say that prices will be about $\frac{1}{2}$ c. higher and seem inclined to test the market out for some recovery. Some branded cows sold to tanners at $8\frac{1}{2}$ c., an advance of $\frac{1}{4}$ c., while other lots were held on the basis of higher futures in the speculative market. Light native cows sold up to $8\frac{1}{4}$ c. for March and $9\frac{1}{4}$ c. for April salting, which was considered speculative. Resale lots of light hides are said to be locked up for speculative purposes, light hides apparently not exerting as bearish an influence as recently.

Country hides are firm under reported depleted supplies and steady demand. Extremes are firm at 8c. paid, and buffs are claimed to be nearer 7c. than $6\frac{1}{2}$ c. Demand for increasing production of patent leather is a factor in the present market.

At the River Plate, there is active buying, chiefly by Europe, but on a lower basis—down to $12\frac{1}{2}$ c. for Argentine frigorifico steers, which are closely sold up. Uruguayan steers sold at the time of the Argentine trading at $12\frac{1}{2}$ c., and later Germany paid 13c. for these.

New York City calfskins are firm to strong on weights 7 pounds and up, but the 5 to 7's are quiet and nominal at \$1.25 and \$1.35. A packer sold 7 to 9's at \$1.65 in combination with 9 to 12's up to \$2.60. In another case a packer sold the heavy end at this, and refused \$1.70 for 7 to 9's. The same wide price spread prevails in the West. The latest reports are that Chicago city's sold at 12c. for 8 to 10 pounds and 16c. for 10 to 15 pounds, packers accepting down to $14\frac{1}{2}$ c. at Milwaukee. For Evansville and Cleveland heavy skins were traded in up to $18\frac{1}{2}$ c. Kips are mostly in a waiting market.

Leather Conditions More Satisfactory

The more satisfactory conditions recently developed in leather markets are maintained, although some slackening of activity has occurred. Shoe reports, however, are encouraging, both as to the volume of Easter retail trade and supplementary orders going to manufacturers.

The underlying situation in sole leather is firm, the present quieter demand being considered natural. Some price advances continue to be posted, and buyers find that they cannot operate at some previous marked concessions.

Offal follows the general course of the sole leather market, with a tendency toward more firmness in prices.

The upper leather markets have turned quieter, although most reports regarding business in patent leather continue encouraging. Domestic demand for the latter is increasing, while there also is a larger export trade. Complaints are heard regarding decreased trading in kid leather in Boston, New York and Philadelphia, and this trend reflects the larger cutting of patent leather.

Shoe Trade Outlook Favorable

The outlook for gradual expansion in the footwear business continues encouraging. Most large Eastern centers reported a good Easter business, with a considerable increase noted at Baltimore over the volume for 1930. At both Boston and New York, moreover, results were satisfactory. Chain-store advices have been favorable with regard to sales during March and for the first quarter. Production figures for February indicate that there was a further rise from the low point of last Fall, and it is expected that March, due to the Easter demand, will show a larger gain.

Print cloth sales were below production last week and the week preceding, and unfilled orders are declining.

WHEAT PRICES SHOW FIRMNESS DEPRESSION IN STOCK PRICES

Leading Grain Develops Strength During Week, but Others Fail to Share Advance

NEW crop prices for wheat forged steadily ahead on the Chicago Board of Trade during the week, with a brief interruption on Thursday. The coarser grains failed to follow the upturn to any decided extent, however, holding their advances within a narrow fractional range.

Higher cables abroad and unfavorable crop conditions in the Northwest were the underlying factors in the strength of the leading cereal, which closed with an extreme gain of a cent on Monday, a major fraction on Tuesday, and a cent and a quarter at mid-week. Weaker cables brought an irregular closing on Thursday, prices being one-half off to three-quarters of a cent up. Winter wheat reports remained unusually favorable, but heavy dust storms in the Northwest early in the week and an inadequate rainfall in that territory later raised doubts as to the condition of the Spring crop. Canadian moisture likewise was insufficient. A better volume of export trade was reported, with Australia making sales to the Orient. Commission house advices also forecast a reduction of 30 per cent. in the Argentine wheat acreage.

Corn gained fractionally Monday, closed irregular the next day and about cancelled the small mid-week advance in the Thursday trading. Planting was well advanced and weather generally was favorable. Oats and rye moved fractionally, according to the trend in wheat. Early planted oats was reported to be in excellent condition. In North Dakota, lack of snow and rain during the late Winter and early Spring caused forecasts of a heavier than normal abandonment of rye acreage.

The United States visible supply of grains for the week, in bushels, was: Wheat 199,561,000, off 2,271,000; corn, 19,644,000, off 803,000; oats, 15,836,000, off 1,130,000; rye, 11,877,000, off 227,000; barley, 6,865,000, off 530,000.

The grain movement each day is given in the following table, with the week's total, and comparative figures for last year:

	Wheat		Flour		Corn	
	Western Receipts	Atlantic Exports	Western Receipts	Atlantic Exports	Western Receipts	Atlantic Exports
Friday	749,000	477,000	25,000	420,000	.....	.....
Saturday	702,000	403,000	10,000	457,000	.....	.....
Monday	1,376,000	84,000	12,000	775,000	.....	.....
Tuesday	532,000	104,000	14,000	378,000	.....	.....
Wednesday	767,000	389,000	10,000	563,000	.....	.....
Thursday	676,000	456,000	8,000	697,000	.....	.....
Total	4,802,000	1,913,000	70,000	3,290,000	.....	.....
Last year	2,517,000	946,000	80,000	5,584,000	.....	.....

Gain in Cotton Consumption

COTTON consumed by American mills during March was reported by the Census Bureau to have totaled 490,586 bales of lint and 62,771 bales of linters, compared with 433,510 and 53,087 in February this year, and 507,646 and 64,400 in March, last year.

Cotton spindles active during March numbered 26,489,832, compared with 25,763,408 in February, this year, and 28,862,400 in March, last year.

Exports during March totaled 605,461 bales of lint and 10,456 of linters, compared with 432,996 and 8,157 in February, this year, and 477,678 and 8,004 in March, last year.

Consumption of foreign and domestic cotton by American mills, exclusive of linters, compares as follows, in bales:

	1931	1930	1929	1928
March	490,586	507,646	631,669	581,325
February	433,510	494,396	594,720	572,875
January	454,188	576,160	668,286	586,142
	1930	1929	1928	1927
December	406,207	452,685	533,301	543,589
November	414,887	541,153	611,173	626,742
October	444,494	639,759	616,238	613,520
September	594,151	581,470	498,720	527,784
August	352,335	558,754	526,340	534,220
July	378,835	547,165	439,821	500,250
June	405,181	569,414	510,390	481,943
May	473,917	668,650	577,384	633,024
April	532,382	631,502	524,705	619,140

Production of burlaps in India is being restricted closely, not more than 50 per cent. capacity operations being reported. Shipments to this country in March were 41,000,000 yards less than those of a year ago, and stocks here are declining slowly.

Trading Very Limited, but the Market Continues to Decline—Bonds Lower

DECLINING tendencies in share prices again prevailed in most sessions on the New York Stock Exchange this week. This movement has been in progress for a month, and it has again carried levels of stock prices below the previous bottom, establishing new low figures for the year. It reflects a lack of buying interest rather than any pressure to sell. Small offerings of stocks suffice to move quotations to lower figures, merely because support is absent. Transactions ranged between 1,600,000 to 2,000,000 shares a day, which is rather moderate trading. Professional operations for a rise made a little progress early in the week, but the bear element launched attacks in subsequent sessions which wiped out the early gains.

Most of the dealings were confined to certain groups of stocks, with the steel issues especially prominent. The main factor in this connection was the further drop in steel trade activities. Prominent steel stocks dropped steadily, under the leadership of United States Steel. The latter fell to lower levels than were recorded at any time during the reaction of 1929, and even below its bottom figure of 1928, reaching a figure on Thursday that has not been touched since 1927. Rail issues also were in supply and most well-known stocks were heavy throughout the week. This is occasioned largely by the poor reports of earnings currently published. Leading specialties, such as Westinghouse, Allied Chemical, Auburn Auto, Case Threshing Machine and American Can also declined in most trading periods.

Bond trading on the exchange followed much the trend of stocks this week, with the general movement toward lower levels. This was interrupted Monday by a mild advance in standard rail bonds and some good gains in utility issues. Most rails declined, however, as the week progressed, owing to the same influences as affected stock prices. Utility bonds reflect important buying by institutions, and they held rather steady. United States Government bonds were firm throughout, as the period of extensive government financing to meet the veterans' loan demands is drawing to a close. Foreign bonds were unsettled by the news of disturbing political developments.

Steel Unfilled Orders Gain

FOR the fifth time during the last six months, unfilled orders of the United States Steel Corporation have shown a monthly gain. The increase of 30,136 tons in March followed a drop of 167,156 tons in February, which broke a stretch of four consecutive months of gains. With a total of 3,995,230, the March figures are 570,992 tons ahead of the low level of September, 1930, but still trail the total of March, 1930, by 565,323 tons.

Comparisons of the unfilled orders of the United States Steel Corporation follow:

	1931	1930	1929	1928
March	3,995,230	4,570,653	4,410,718	4,332,296
February	3,965,194	4,479,748	4,144,341	4,333,189
January	4,132,351	4,468,710	4,109,487	4,275,947
	1930	1929	1928	1927
December	3,948,596	4,417,193	3,974,112	3,672,874
November	3,639,636	4,125,345	3,673,000	3,454,444
October	3,481,763	4,086,562	3,751,030	4,341,040
September	3,424,338	3,902,581	3,698,368	3,148,113
August	3,580,204	3,658,211	3,624,043	3,196,037
July	4,022,055	4,088,177	3,570,927	3,142,018
June	3,968,064	4,256,910	3,637,009	3,053,246
May	4,059,227	4,304,187	3,416,822	3,050,941
April	4,354,220	4,427,763	3,872,133	3,456,132

Cotton Supply and Movement.—From the opening of the crop year on August 1 to April 10, according to statistics compiled by *The Financial Chronicle*, 12,757,929 bales of cotton came into sight, against 13,619,575 bales last year. Takings by Northern spinners for the crop year to April 10, were 824,030 bales, compared with 988,144 bales last year. Last week's exports to Great Britain and the Continent were 107,090 bales, against 90,024 bales last year. From the opening of the crop season on August 1 to April 10, such exports were 5,648,301 bales, against 5,900,494 bales during the corresponding period of last year.

Prolonged strikes in upholstery and hosiery mills in the Philadelphia districts are beginning to show some signs of breaking up.

Survey of Industry—First Quarter, 1931

(Continued from page 8)

compilation is that the number of failures attained record proportions, no previous quarter having ever shown a higher total of failures. In addition, the total liabilities were almost at a new high record inasmuch as the figure of \$214,602,374 was only exceeded by one previous quarter which was the first quarter of the year 1922 when liabilities amounting to \$218,000,000 were reported for the failures of the three-month period.

It is generally true that failures of the first three months of any given year will be well in excess of the failures of any other quarter. The high total for the first quarter of 1931 in comparison with the preceding quarters in 1930 was necessarily to have been expected for this reason. However, the record total reported gives evidence of the extent of the economic adjustments which were occurring throughout the period and which were a continuance of the trend in this direction first discernible about a year ago. While it is evident that the occurrence of failures in such number and amount necessarily affect the business community by increasing unemployment, and forcing the liquidation in an already glutted market of large stocks of goods it is a process which accompanies every depression and tends to serve as a corrective of inflated conditions while it is at the same time a result of the same conditions.

During periods of prosperity many marginal operators who are carried along on the crest of the wave and without adequate equipment, experience or knowledge are able to earn a satisfactory return on their investment. The contraction of business activity and general price declines makes conditions difficult for all operating units but extremely so for the marginal organizations. With the elimination of the bulk of those producers whose operating costs are so high that they may only survive in periods of large-scale expansion, the general business structure is strengthened. The organizations which survive such a period as 1929-1931 are the strongest and most efficient and it is to them that the business community will look for leadership when industry finds that the time has come to go ahead. With full realization, therefore, of the unfortunate aspects of record commercial failures, sight must not be lost of the fact that they are the inevitable aftermath of a period during which industry was geared too high and that in somewhat the manner of bitter medicine they work to the ultimate benefit of the body economic.

Slight Decline Shown by Chain Stores and Tobacco

In Chart II comparison is made between the sales of twenty-five major industries for the first quarter of 1931 and the corresponding period of 1930. Chain stores sales, considering only the units in operation a

year ago, were only 4.7 per cent. below 1930. If the sales of all chain store units now in operation were compared with sales of last year a gain of between 6 per cent. and 10 per cent. would probably have been shown. The sales of tobacco products of all types declined about 6.3 per cent. below the earlier period. The lower tobacco sales, in view of the heavy consumption of cigarettes and five-cent cigars appears to have resulted from restricted demand for cigars in the higher price classes.

Other industries, the sales of which for the initial quarter of 1931 were only moderately below those for the same period of 1930, were food products, off 7.4 per cent., meat packing, off 8.3 per cent., and chemical, off 9.3 per cent.

Rail Equipment Buying Negligible

The sales of railroad equipment during the first quarter of 1931 were 60 per cent. below the sales of the first three months of 1930. The railroads, faced with serious traffic shortages and with abundant surplus equipment, generally refrained from ordering new equipment with the result that the sales of this industry reached a new low record for some years.

The sales of automobiles which, in the last quarter of 1930 were far below the corresponding period of 1929, made a fair comparison with the first quarter of 1930 because of the seasonal increase in activity which took place throughout the industry in the first quarter of 1931.

The industries, other than those mentioned, which made the worst comparisons with the first three months of 1930 were electrical equipment, miscellaneous machinery, motor accessories, steel, paper products, office equipment, building and realty and advertising and publishing.

Spring Rise Below Normal

The index which is used in this survey to measure the course of general industrial activity is made up of electric power output, bituminous coal production, bank clearings outside New York City, pig iron production and building contracts. No attempt is made to adjust the series for seasonal variation, although a moving average is presented as an indication of the general trend throughout the period. The seasonal variation was not eliminated because it was considered that an index showing actual seasonal variations makes possible a ready comparison between any two or more years or periods within the years. It is of course true that an adjusted index wherein the seasonal and secular trends are allowed for performs these functions also, but indices of this kind are not always understood by the reading public and are sometimes misinterpreted.

From the movement of our industrial index for the first three months of 1931 conclusive evidence appears

that general business did not respond to the stimulus of Spring trade in the customary fashion. Since 1925 there has been a decrease in activity in February because of the shortness of the month. Following the slump in February there has generally been a sharp gain. The gains shown by the Index between February and March for the six years were as follows: 1925 13.9 per cent., 1926 18.9 per cent., 1927 21.5 per cent., 1928 12.1 per cent., 1929 15.2 per cent., and 1930 12.10 per cent. The average of these gains shows that the general seasonal increase between these two months was 15.6 per cent. The gain from February, 1931, to March, 1931, however, was only 10.6 per cent. or approximately two-thirds of the normal. In using the term "normal" we consider the years 1925 to 1928 as normal. We justify the inclusion of 1929 and 1930 in the average to determine a normal because the unusually heavy activity of the former year and the generally reduced level of business in the latter year can be taken as offsetting one another. The average of the entire six years, therefore, may be considered as an arbitrary normal for our present purpose.

The question naturally arises as to whether or not the peak of activity for 1931 was reached with the level which was attained in the month of March. It will be observed that in the years 1925, 1926, 1927 and 1929 the peak of activity occurred in March while in 1928 it was reached in May and although the peak was actually reached in March of 1930 it was almost duplicated in May of that year. There is little evidence from the fluctuations of this particular index therefore which would lead the student to expect a higher level of activity later in the year than that of March. It is of course true that October is a month of increased activity prior to the final year end reduction of operations. At the present time it is difficult to predict industrial trends and sentiment as far ahead as the Autumn. The point should be made, however, that October activity, according to this Index, has rarely been as great as that of the early Spring, and that thereafter there has been a general downward trend to the end of the year.

The possibility still exists, of course, that greater activity will be seen in May than in March as was the case in 1928, and was almost the case in both 1926 and 1930. The fact, however, that the seasonal gain from February to March of 1930 amounted to only about two-thirds of the normal gain for that period in spite of the noticeable improvement in business sentiment after the close of 1930, suggests that this will not be the case and that probably the peak of activity for 1931 has been seen. This conclusion implies merely that activity is unlikely to duplicate the March peak and not that recession will not cease before the end of the year.

Reconstructive Forces May Be in Motion

It is hardly necessary to repeat the comment that the public is inclined to exaggerate. Two years ago, in the midst of prosperity, expectations were held which could not possibly have been satisfied. Now, with

conditions reversed, public opinion has swung to the other extreme. Many predictions are heard today which could only be fulfilled if the business structure were to disintegrate completely. While we must face the fact without fear and without mitigation we must remember that overemphasis of the disagreeable aspects of the present situation is as unsound as was the expansive optimism of 1929.

Valuable as statistics are in throwing light upon the rate and direction of industrial activity they are necessarily limited in their application. They cannot measure the extent of the economic forces which are constantly at work to remedy maladjustment and to prevent the pendulum from swinging too far in any one direction. Although these forces are invisible in their operation their ultimate significance is as great as that of any set of known factors which are measurable.

Periods such as the one through which we are now passing generate a greater degree of efficiency than is found in an era of prosperity. The efficiency leads to a reappraisal of conditions, to the ability to obtain the maximum from what is offered, to gradual expansion and so, again, to prosperity.

There is, each year, a definite increment to the wealth of the entire world and the individual nation, which arises from the productivity of agriculture. It is independent of prices which prevail for farm produce and takes its place with other real wealth in the possession of the people regardless of market fluctuations. The greater selectivity and concentration with which husbandry is practiced as a result of periods of deflation has often been a major factor operating to set in motion constructive forces.

For a number of months industrial activity has been contracting. Concurrently, the excesses of the era of prosperity were being corrected. It is apparent from the length of time which has elapsed since deflation first set in that it should not continue a great deal longer; it may even now be generating its own end. In all probability the revival will be a slow and gradual one and it is right that it should be so since only by this means can a firm foundation be laid and the evils of inflation avoided.

Moderate Activity in Wool

WOOL consumption by the mills continues at a fairly steady rate, but few manufacturers are adding to their stocks of wool and activity in the local market during the week has been moderate. The sale of fleece wools has been confined to coarser grades and prices are lower. Woolen wools are quiet, and the territory lines are moving slowly. Prices on carpet wools are firm, though there is little demand. New business on tops is steady, with an increase in deliveries noted. Prices are firm.

Receipts of domestic wool at Boston during the past week amounted to 1,126,500 pounds, as compared with 2,178,800 pounds during the previous week. Total receipts in Boston of foreign and domestic wool since the first of the year have been \$38,025,800, as compared with \$47,133,100, and shipments have been slightly below last year's figures. An increased demand is noted for the Summer weights of suitings for men's wear, and flannels for men's and women's wear are moving freely. There has been an active call for the delivery of worsted yarns from the knitters on specifications, but new orders are coming in slowly. Prices are weak.

WHOLESALE QUOTATIONS OF COMMODITIES

ARTICLE	This Week	Last Year	ARTICLE	This Week	Last Year	ARTICLE	This Week	Last Year
Apples: Common.....bbl	3.00	3.00	Cutch, Rangoon.....lb	10 1/2	13 1/2	Lard, extra, Winter st....lb	9 1/2	11 1/2
Fancy	8.00	14.00	Gambier, Plantation.....lb	7 1/2	7 1/2	Extra, No. 1.....lb	9	11
BEANS: Pea, choice...100 lb	4.85	6.75	Indigo, Madras....."	1.25	1.25	Linseed, city raw, carots....."	0.2	14.2
Red kidney, choice..."	9.00	10.00	Prussiate potash, yellow..."	18 1/2	18 1/2	Rosin, first class.....gal	11 1/2	13
White kidney, choice..."	6.75	9.75	FERTILIZERS:			Soyo-Bean, tank cars, M. W. lb	54	61
BUILDING MATERIAL:			Bones, ground, steamed, 1 1/2%, am. 60% bone phosphate, Chicago.....ton	25.00	28.50	Petroleum, Pa. cr. at well, bbl	6.0	6.5
Brick, N. Y., delivered...1000	15.00	15.00	Muriate potash 80%....."	37.15	37.15	Kerosene, wagon delivery, gal	1.675	2.65
Portland Cement, N. Y., Trk.			Nitrate soda.....100 lbs	2.05	2.16	Gas-e auto in gar., st. bbls..."	17	15
Bricks, delivered.....bbl	2.60		Sulphate ammonia, do-			Wax, ref., 125 m. p.....lb	13.3	15.3
Chicago, cartloads....."	1.95		domestic, delivered..."	1.75	1.00		3%	8%
Philadelphia, cartloads....."	2.50		Sulphate potash bs. 90%....ton	48.25	48.25	PAINTS: Litharge, com'l		
Lath, Eastern spruce...100	3.65	4.75	FLOUR: Spring Pat...196 lbs +	4.40	5.85	Am. ....lb	13 1/2	..
Lime, hyd., masons, N. Y., ton	14.00		Winter, Soft Straight..."	+ 3.90	5.35	Red Lead, dry.....100 lbs	13 1/2	14 1/2
Shingles, Cyp. Pr. No. 1...1000	10.00		Fancy Minn. Family..."	+ 5.70	7.30	White Lead in Paste.....lb	13 1/2	14 1/2
Red Cedar, Clear, rali..."	3.51	4.26	HEMP: Midway, Fair Cur-			Zinc, American..."	6 1/2	6 1/2
BURLAP, 10%-oz. 40-in....yd	5.55	6.75	rent .....lb	5 1/2	..	" F. P. R. S."	9 1/2	..
8-oz. 40-in....yd	4.45	5.50	HIDES, Chicago:			PAPER: News roll, Contract	62.00	62.00
COAL: f.o.b. Mines.....ton			Packer, No. 1 native.....lb	9	14	Book, S. & S. C. ....lb	5 1/2	..
Bituminous:			No. 1 Texas....."	9	14	Writing, sub-sized....."	10	10
Navy Standard....."	2.20	2.20	Colorado"	8 1/2	13 1/2	No. 1 Kraft	4	6
High Volatile, Steam....."	1.25	1.25	Branded Cows....."	+ 8	12	Sulphite, Dom. bl....100 lbs	2.40	3.20
Anthracite, Company:			No. 1, burf hides....."	+ 6 1/2	10	Old Paper No. 1 Mix."	15	25
Stove .....ton	7.00	9.20	No. 1, extremes....."	+ 8	12 1/2	PEAS: Yellow split, dom....100 lbs	3.75	4.00
Egg	6.75	8.70	No. 1, calfskins....."	+ 10	14	PLATINUM"	35.00	53.00
Nut	7.00	8.70	Chicago city calfskins....."	+ 14	16 1/2	PROVISIONS: Chicago:		
Pea	4.75	5.00	HOPS: Pacific, Pr. '30..."	22	17	Beef Steers, best fat...100 lbs	10.00	14.35
COFFEE, No. 7 Rio.....lb	5 1/2	9 1/2	JUTE: first marks....."	3.70	5.65	Hogs, 220-250 lb. wts	7.40	7.65
" Santos No. 4....."	8 1/2	14 1/2	LEATHER:			Lard, N. Y. Mid. W."	9.10	10.75
COTTON GOODS:			Union backs, t.r."	30	42	Pork, mess....."	26.00	32.00
Brown sheetings, standard...yd	8 1/2	11	Scoured oak-backs, No. 1 .."	35	47	Lambs, best fat, natives...100 lbs	9.25	10.25
Wide sheetings, 10-4....."	5 1/2	16	No. 2 butt bonds....."	52	62	Sheep, fat ewes	4.00	6.50
Blended sheetings, stand..."	14 1/2	16 1/2	LUMBER: *			Short ribs, sides, l'se."	10.37	13.75
Medium sheetings, 10-4....."	9 1/2	12	White Pine, No. 1.....per M ft.	55.50	60.00	Bacon, N. Y., 140 down....lb	13	18 1/2
Brown sheetings, 4 yd...."	6 1/2	8 1/2	FAS Quartered Wh. Oak	154.00	154.00	Hams, N. Y., 18-20 lbs...."	14 1/2	18 1/2
Standard prints....."	7 1/2	8	FAS Plain Wh. Oak	115.00	109.00	Tallow, N. Y., sp. loose	3 1/2	6 1/2
Brown drills, standard....."	8 1/2	11	FAS Plain Red Gum	85.00	105.00			
Staple ginghams....."	8	10	FAS Poplar, 4/4" 7 to	105.00	110.00			
Print cloths, 38 1/2-in. 6x600 .."	5 1/2	6	FAS Ash 4/4"	82.00	95.00			
House, belting, duck....."	24	34	Beech, N. Y. Common	50.00	50.00			
DAIRY:			FAS Birch, Red, 4/4"	110.00	125.00			
Butter, creamery extra...lb	25 1/2	39	FAS Cypress, 4/4"	82.50	88.00			
Cheese, N. Y., fancy.....t...."	24	24	FAS Chestnut, 4/4"	75.00	80.00			
Eggs, nearby, fancy.....doz .."	26	32	No. 1 Com. Mahogany	154.00	165.00			
Fresh, gathered, ex. drats .."	21	37 1/2	FAS H. Maple, 4/4"	85.00	90.00			
DRIED FRUITS:			Canada Spruce, 2x4"	32.00	37.00			
Apples, evaporated.....lb +	8 1/2	14 1/2	N. C. Pine, 4/4", Edge,					
Apricots, choice....."	13	15	Better 12" No. 2 and					
Citron, imported....."	16 1/2	22	Better 24"	44.50	49.00			
Currants, cleaned, 50-lb. box	11 1/2	11 1/2	Yellow Pine, 3x4"	58.00	66.00			
Lemon Peel, Imported	15	15	FAS Basswood, 4/4"	76.00	80.00			
Orange Peel, Import'd	16	16	Ship, C. I. F., N. Y.,					
Peaches, Cal. standard....."	7 1/2	12 1/2	2x4", 18 feet	25.75	28.00			
Prunes, Cal. 40-50, 25-lb box .."	6 1/2	10	Cal. Redwood, 4/4"	71.00	75.00			
DRUGS AND CHEMICALS:			North Carolina Pine,					
Acetanilid, U.S.P., bbls...lb	36	36	Roofers, 13/16x6"	25.25	30.50			
Acid, Acetic, 28 deg...100 "	2.60	3.87	METALS:					
Carbolic, cans	17	17	Fig Iron: No. 2X, Ph. ....ton	17.76	20.26			
Citric, domestic.....lb	37 1/2	46	No. 2 valley furnace	17.00	18.50			
Muriatic, 18'.....100 "	1.00	1.00	Bessemer, Pittsburgh	18.76	20.76			
Nitric, 52'....."	6.50	6.50	Gray Forge, Pittsburgh	+ 17	19.76			
Oxalic, spot	11	11 1/2	No. 2 South Cincinnati	14.19	16.69			
Stearic, double pressed .."	55	55	Billets, rerolling, Pittsb'gh	30.00	33.00			
Saponitic, 60-65%.....100 "	31 1/2	38	Forging, Pittsburgh	36.00	38.00			
Articite crystals, 98%.....ton	38.50	38.50	Wire rods, Pittsburgh	35.00	38.00			
Alcohol, 190 proof U.S.P., gal	2.37	2.55 1/2	O-n rails, hy., at mill	43.00	43.00			
" wood, 95%....."	44	44	Iron bars, Chicago...100 lbs	1.70	2.00			
" denatured, form 5 .."	22	44	Steel bars, Pittsburgh	1.65	1.85			
Alum, lump	3.25	3.50	Tank plates, Pittsburgh	1.65	1.80			
Ammonia, anhydrous	15 1/2	14	Sheets, Pittsburgh	1.65	1.80			
Arsenic, white	20	4	Sheets, black No. 2,					
Balsam, Copalba, S. A."	23	23	Pittsburgh	2.25	2.55			
Fir, Canada.....gal	10.00	11.00	Antimony, pig (two lots) ..lb	22.00	24.30			
Peru	1.50	1.89	Copper, ordinary	6 1/2	7 1/2			
Bleaching powder, over	2.64	2.25	Zinc, N. Y."	4.75	5.15			
" 54%....."	2.00	2.00	Lead, N. Y."	4.05	5.15			
Borax, crystal, in bbls	2 1/2	2 1/2	Tin, N. Y."	24 1/2	30 1/2			
Brimstone, crude dom...ton	18.00	18.00	Tinplate, Pittsburgh, 100-lb box	5.00	5.25			
Calomel, American.....lb	1.82	2.05	MOLASSES AND SYRUP:					
Camphor, slabs	55	60	Blackstrap--bbls	12	17			
Castile Soap, white	15.00	15.00	Extra Fancy	54	60			
Castor Oil, No. 1	10 1/2	12 1/2	NAVAL STORES: Pitch	6.50	7.00			
Claustic soda, 76%.....100 "	2.25	3.00	Rosin "B"	- 4.70	6.85			
Chloroform, U.S.P."	8.50	8.50	Tar, klin, burned	10.00	13.00			
Cocaine, Hydrochloride ..oz	2.25	2.25	Turpentine, carots	59	53 1/2			
Cream tartar, domestic ..lb	1.50	1.50	OILS: Coconut, Spot, N. Y. ....lb	- 4 1/2	6 1/2			
Epsom Salts	100		China Wood, bbls, spot	- 7	11			
Formaldehyde .."	6	8 1/2	Cod, Newfoundland.....gal	- 48	60			
Glycerine, C. P. in drums .."	12 1/2	13	Corn, crude, Mill.....lb	- 6 1/2	7 1/2			
Gum-Arabic, Amber	10 1/2	21	Cottonseed, spot	- 7.50	8.80			
Benzoin, Sumatra	29	35						
Gamboge, pipe	75	1.10						
Shellac, D. C."	41	58						
Tragacanth, Aleppo 1st .."	1.35	1.35						
Licorice Extract	1.18	1.18						
Root	33	33						
Morphine, Japan, cases .."	3.75	4.25						
Sulfur, crystal	7.95	9.95						
Nitrate Silver, crystals .."	+ 22 1/2	31 1/2						
Nux Vomica, powdered ..lb	8	8						
Opium, Jobbing lots	12.00	12.00						
Quicksilver, 75-lb flask .."	+ 103.00	115.00						
Quinine, 100-oz. tins .."	40	40						
Rochelle Salts	19	22						
Sal ammoniac, lump, imp .."	10 1/2	10 1/2						
Sal soda, American ..100 "	90	90						
Saltpetre, crystals .."	7 1/2	50						
Santalum, Honours .."	45	50						
Soda ash, 65% light, 100 "	1.00	1.32						
Soda benzote	40	50						
Vitriol, blue	5	5						
DYESTUFFS--Bi-chromate	9	9						
Potash, am.....lb	52	79						
Cochineal, silver								

* Advance from previous week. Advances, 15 Decline from previous week. Declines, 37 * Carload shipments f.o.b., New York. † Quotations nominal.

Pacific Coast Paper Business Declines

LOS ANGELES.—The volume of business for the past three months shows a decline of from 10 to 15 per cent., compared to that for the same period of last year. The outlook is considered favorable, the past few weeks showing an increased demand in practically all lines of paper. Stocks are light in both the wholesalers' and retailers' hands.

Prices on higher grades of paper have been maintained at last year's figures and, in some lines, show an increase. Cheaper lines of bond and ledger papers are quoted at lower figures than previously. Credits have been reported slow, but a decided improvement has been noted during the past month, due to the co-operative activity of the leading wholesalers in this line.

PORTLAND.—Business continues to move slowly in the general paper trade, both in the way of city distribution and demand from the interior districts, but the opinion is becoming general that the worst of the depression is over. The turnover is lighter than it was a year ago, decreases averaging 10 to 15 per cent. being reported in the various branches of the business. This is in line with other industries and like them, the present trend of the paper trade appears to be better. There is nothing in the situation, however, paper men say, to warrant belief that the improvement will be rapid. Prices generally are lower than last year's. No material change either way is expected in the immediate future.

SEATTLE.—The situation in the general market reveals a Spring pick-up. The volume of business now being done is about 10 per cent. below that of the corresponding period of last year. The level of prices shows soft spots, but a general tendency to be maintained at the current level. A break in bags amounting to a 15 per cent. decline has been readjusted to the former level. Severe reductions in the volume of perpetual stocks of the paper houses a year ago have required some filling in. Adding this to the Spring business demand, the purchases by these houses from mills have been in slightly higher proportion to their sales than they were a year ago.

Mills are running between 75 to 80 per cent. of capacity. This is about 15 to 20 per cent. under the record of the corresponding period a year ago. However, this is an improved situation over that of the preceding few months. Two mills that have been down are to operate. One begins immediately. Prices of mill products are about 10 per cent. under those of a year ago. The newsprint situation is probably the weakest.

FRANK G. DEEBE, President SAMUEL J. GRAHAM, Sec'y & Treas.

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MEETING NOTICE

INSPIRATION CONSOLIDATED COPPER COMPANY

NOTICE OF ANNUAL MEETING
Notice is hereby given that the Annual Meeting of the Stockholders of the Inspiration Consolidated Copper Company will be held at the office of the Company, 242 Water Street, Augusta, Maine, on Monday, the twenty-seventh day of April, 1931, at two o'clock p.m., for the election of Directors and for the transaction of such other business as may come before the meeting, including the consideration, approval and ratification of all acts and proceedings of the Board of Directors during the past year and of all matters that may be referred to in the Annual Report to the Stockholders.

The transfer books will not be closed; but only those stockholders of record at the close of business (viz., three o'clock p.m.), on Friday, April 10th, 1931, will be entitled to vote at said meeting.

By order of the Board of Directors,

J. W. ALLEN, Secretary.

General Business Notes

Wool blankets are being produced in relatively larger volume than ever before, and the proportion of all-cotton blankets now being made is the smallest ever known.

Despite the depression and widespread unemployment, more money flowed into New York State savings banks in 1930 than in any previous year in history. The savings banks gained more than \$400,000,000.

The total value of mineral products produced in the United States in 1930 is estimated at \$4,795,000,000, a decrease of 18 per cent., compared with the total of 1929. Metallic products had an estimated value of \$985,000,000, a decrease of 33 per cent.

The world production of coal amounted to 1,410,000,000 metric tons in 1930, a loss of 149,000,000 tons from the 1929 total, and a decrease of 54,000,000 tons from the 1928 record. The United States leads the world in coal production, accounting in 1930 for 482,135,000 tons of the total of 1,410,000,000 metric tons.

The annual world consumption of machinery now reaches a total value of \$5,500,000,000. Of that total the United States accounts for \$2,500,000,000, which means that for every man, woman and child in the country there is each year installed \$23 worth of machinery. The per capita machinery consumption of Great Britain amounts to \$10; that of Germany \$9; while the figure for India is only 17c, and that of China 5c.

NOTICE

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Below is a chart showing some of the more often used features of REVIEW Service.



While this co-operation is available for any on-the-ground assistance that is reasonable and ethical, three features have proven especially valuable and may appeal with equal force to you. These are: personal interviews with prospective dealers and agents; surveys of local market conditions and special lists for circularizing.

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